

Input for Groundwater Workgroup: #2A Management Structures

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Most Significant Problems

Uncertainty

1. **How much water and why:** types of use are not prioritized, justification is not well defined especially related to growth formulas or set factor for margin of safety
2. **How long water will be available and why:** DEQ doesn't issue annual status of resource. Water level or water quality indicators or thresholds haven't been established that signal problems with assumptions or data used to determine permit conditions.
3. **Permits for New Alternatives:** DEQ has not identified demand thresholds or regions that require new water sources. Because DEQ's current role isn't to provide technical and political support for long-term source water development projects, there is a real or perceived time lag from identifying a need to getting permits and implementing design/construction. There is uncertainty of DEQ's position on whether new water sources are worth environmental impacts.
4. **Future of Existing Alternatives:** Permittees with existing surface water sources are concerned about potential changes to the regulatory framework based on the State Water Resources Plan's discussion about the difficulty of managing water resources with many grandfathered intakes.

Most Significant Problems

Financial Fairness, Equity and Best Use of Resources

1. Current structure encourages each permittee to hold on to existing source water (groundwater or surface water) for future growth and opportunities. Results in other permittees using or developing more expensive options. As a region, we may not be using the sources that have the least environmental impact and the lowest cost because some of the sources are locked up by other permittees for potential future demands/needs.
2. Public Water System decisions are made by localities. Each one focuses on the contract terms, choice of supply and volume for growth that best fits the city/county's interests.
Stranded Assets: no remedy for costs sunk into groundwater infrastructure that would no longer be used if we switch sources.
3. Past Investments: Permittees that invested in surface water supply infrastructure should benefit from the capital costs and infrastructure maintenance spent to create supplies greater than existing demands.
4. Contracts for bulk water sales are often for 20-30 year terms. Both buyer and seller lack reliable information to forecast demands for those terms.
5. Cost of public water service varies significantly depending on location, growing versus long-established system, and number of customers. High costs may discourage economic growth.